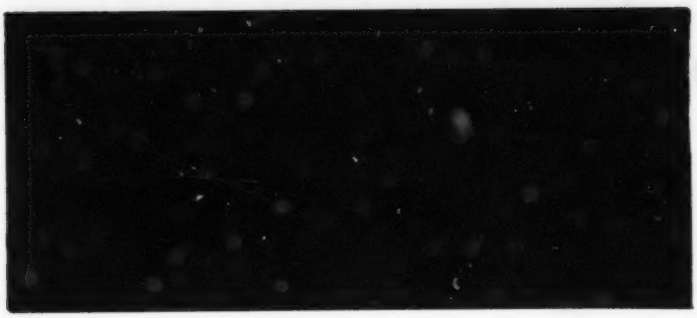
Summary Report

Summary of Presentations Medicine Hat Public Forum

January 31, 1992

Alberta
GOVERNMENT OF ALBERTA

TOWARD 2000 TOGETHER



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TOWARD 2000 TOGETHER

MEDICINE HAT REGIONAL PUBLIC FORUM
SUMMARY OF PRESENTATIONS

Medicine Hat Lodge
1:30 - 5:00 p.m.
January 31, 1992

GOVERNMENT PANEL

Hon. James Horsman (Chair) - Deputy Premier and Minister of Federal & Intergovernmental Affairs

Hon. Ralph Klein - Minister of the Environment

Hon. Shirley McClellan - Associate Minister of Agriculture

Mr. Tom Musgrove - MLA, Bow Valley

PRESENTATIONS

1. Chamber of Commerce/Bow Island - Bryce Smith
2. Town of Brooks - Kevin Bridges
3. Chamber of Commerce, Town of Brooks - Wendell Rommens
4. Eastern Irrigation District - Wade Alston
5. Chamber of Commerce, Medicine Hat - Rick Derbyshire
6. Town of Taber - Mayor Paul Primeau and Orest Chomyc
7. Medicine Hat College - Dr. Fred Speekeen
8. City of Medicine Hat - Alderman Wayne Craven and Hal Fredericks
9. Environmental Services Association of Alberta - Sandy Sutton
10. Alberta Pulse Growers Commission - Steve Ell and Ken Biemans
11. Youngstown Public School - Stuart Wachowicz
12. Rocky Mountain Trade Corridor Steering Committee - Allan Joys
13. Private Citizen - Gary Lehr

ALBERTANS SHARE IDEAS ON THE ECONOMY AT SECOND PUBLIC FORUM

Southeastern Albertans filled a conference room at the Medicine Hat Lodge January 31 to hear more than a dozen submissions to the second of the Alberta Government's Toward 2000 Together public forums. The meetings are part of a major economic planning initiative designed to give Albertans a say in the development of a new economic strategy for the province.

Presenters included private citizens as well as representatives of municipalities, business groups and educational institutions. They offered suggestions on issues ranging from environmental regulations and funding for municipal projects to spending on social programs and investment in research and development. A common thread was the importance of supporting community economic development efforts to reverse rural depopulation.

Jim Horsman, Deputy Premier and Minister of Federal & Intergovernmental Affairs, chaired the meeting and headed up a government panel which received and responded to the submissions. Other panel members were Environment Minister Ralph Klein, Associate Agriculture Minister Shirley McClellan, and Bow Valley MLA Tom Musgrove.

In his welcoming remarks Mr. Horsman stressed that "setting new economic objectives is not a task the government can tackle by itself, nor does responsibility lie strictly with the private sector". "We have much to gain by pooling our resources and bringing Albertans together in partnership to set new directions for our future. That's why Toward 2000 Together has been developed."

The following are highlights of the written and verbal submissions presented during the forum:

1. Chamber of Commerce, Bow Island: Bryce Smith

The Chamber is concerned with the shrinking of Alberta's rural population and the effect it is having on communities. The basis of the area's economy is agriculture and many local processing operations are dependent on overseas markets for continued success. To compete in the global market they must be able to control costs. To address this problem, the Chamber made the following points.

- A moratorium should be placed on the expansion of all social programs until the tax base increases enough to absorb the costs without increasing the made-in-Canada cost factor. "We cannot afford to provide unlimited exotic health benefits to every person in the community."

- Although well-intended, environmental controls and regulations are discouraging expansion and even maintenance of rural development. For example: an old fuel bulk station was torn down in the community and government tests showed soil contamination. It cost tens of thousands of dollars to the taxpayer to excavate the soil to more than 20 feet, truck it to the landfill to aerate, and refill the hole. This remedy seems excessive. There must be hundreds of sites in Alberta in the same condition, requiring millions of dollars of expenditures to meet current regulations. The Chamber predicts environmental regulations will make it uneconomical to operate service stations in small town Alberta and will further drive the population away.

- We are over-legislated and this is affecting voluntarism. Volunteers are traditionally an important part of the economy in keeping costs down. But volunteer day care workers, firemen, ambulance drivers and others are being discouraged by government imposed training requirements.

- The Alberta Government should follow the example of Manitoba and Saskatchewan in initiating legislation to set up community bonds. This would allow communities to help themselves by investing in their own future. There is a lot of private money available without "dipping into government coffers" to get things done.

- Maybe Calgary and Edmonton are big enough. Perhaps we should spread development out among rural areas. We should not forget our agricultural and rural roots.

Mr. Klein responded to the underground storage tank concern and said he would be happy to send out a team to meet with people in Bow Island for input on how regulations to Bill 53 can be amended to protect the environment and at the same time sustain the economy.

The following three presentations were made on behalf of the Newell Region Economic Development Advisory Committee.

2. Town of Brooks: Kevin Bridges, Town Manager

The Town of Brooks, Eastern Irrigation District, County of Newell No. 4 and Brooks and District Chamber of Commerce have formed a partnership to jointly pursue economic development on the theory that far more could be accomplished together than by working independently. The resulting Newell Region Economic Development Advisory Committee also includes the Town of Bassano and Villages of Tilley, Duchess and Rosemary.

A survey to gather public input on a regional economic development strategy gave the Committee a mandate to pursue a strategy to reverse rural depopulation and declining employment opportunities. That strategy is to build on existing strengths, relying not on government subsidies but on the private sector's keen sense of business opportunity.

The Committee suggests that its model can be used on a larger scale to formulate provincial economic development policy. The government's role should shift from providing subsidies and guarantees to supporting the competitive position of Alberta business. The role of Economic Development & Trade offices then should be to gather and disseminate development opportunity and market information, acting on behalf of smaller economic development offices which don't have the resources to develop quality contacts. The government should provide direct funding to local economic development authorities to help them pursue development to stabilize their economies. Rural Alberta is ripe for development. The Newell Region invites the province to join it in promoting economic development in the area.

3. Chamber of Commerce, Town of Brooks: Wendell Rommens

Mr. Rommens talked of the regional effort outlined by the previous speaker. He said the strategy is to promote the entire region and to let the market decide

where a business locates within a region. This approach makes it possible to produce a world-class brochure to help the region compete on the international scene -- an effort that no single local body would be able to afford.

Mr. Horsman asked if the regional group is working closely with provincial tourism people at Dinosaur Provincial Park in terms of overall economic development. Mr. Rommens acknowledged the park is "one of the wonders" in the area and that it would be "front and centre" in any brochure created for the region.

Mr. Klein asked Mayor Franklin if the Town of Brooks consulted with the Calgary mayor on that city's very successful economic development model, which sounds similar. Mayor Franklin replied that she has been in touch with Mayor Duerr and is pursuing development along similar lines. She added that Clint Eastwood produced a movie in the area last fall and has agreed to add his endorsement to the region's brochure.

4. Eastern Irrigation District: Wade Alston

Mr. Alston, a regional planner with international experience, said his group, which has offices all over the world, was attracted to the region for its unique infrastructure and economic opportunities. These include: research facilities, post-secondary education, world-class tourism opportunities, water, and major corporate presences (Lakeside Packers, Pan-Canadian Oil, Fording Coal, Nova). These are the basic components of what he called a "sophisticated 21st century-style agra-industrial region." Working together gives the local communities the economies of scale required "to do something that is truly internationally significant", he pointed out. He recommended this "holistic approach" for other regions in the province.

Mr. Alston noted a "powerful trend" in North America in which people are moving from cities to rural communities to gain more control over their lives and to enjoy the lifestyle advantages of smaller communities. The Newell Region and others have the opportunity to capitalize on these trends.

He espoused giving rural regions access to economic development support programs and recognizing rural regions as a major growth opportunity in terms of population and economic diversification. He contended that migration to urban areas is a Third World phenomenon and that Canada now has the most urbanized population in the world. This trend must be reversed.

Ms. McClellan asked Mr. Alston to expand on how to give rural communities access to provincial economic development support. He suggested the community bond issues are an excellent way to give people a buy-in to the process. He added that "we don't have to pay people to establish in Alberta". Alberta has an international reputation as a good place to do business. The government should cut back on loan guarantees and concentrate its funding activities toward regionally integrated initiatives.

Mr. Horsman asked Mr. Alston about his attitude toward encouraging foreign investment. He replied that foreign companies should be encouraged to make Alberta their corporate home and establish a major permanent "resident" presence.

5. Medicine Hat Chamber of Commerce, Medicine Hat Economic Development Advisory Board: Rick Derbyshire

This joint submission urged a reduction of "excessive expenditures" by the provincial government. This would lead to reduced municipal and provincial taxation, providing a healthier climate for economic development. This could be achieved through privatization of government services using the "best available human resource" principle of procurement. Also, public sector wages should follow the dictates of a competitive economy.

To allow government and business to make quick decisions in a competitive global economy, we must streamline bureaucracy and eliminate unnecessary regulations to convey an "open for business" image. Interprovincial trade barriers should end and environmental, health and safety standards should be harmonized among the provinces.

The economic structure should be one of decentralization, with the government as coordinating body. Budgets for economic development should be based on demonstrated needs of a community and responsibility for making small business loans should lie with the local development authority.

The submission criticized government loan guarantees to large corporations and said efforts should be concentrated on small business, which will fuel economic growth.

Tax credits should be given to businesses that invest in the future and to Albertans who invest in new public stock issues and local venture capital pools. The province should also create legislation allowing for long-term tax deductible bond issues for capital projects.

In education, more emphasis should be put on the growing technological component of the expanding economy, a back-to-the-basics ideology, and the realistic needs of society. University is not for everybody.

The government should strengthen ties within the Rocky Mountain corridor, which has the potential to become the 10th largest trading block in the world. Alberta should also heighten its efforts in the fast-growing economies of the Pacific Rim.

Regarding privatization of services, Mr. Klein asked Mr. Derbyshire how the government might be protected from outrageously high prices when the economy goes "out of control". He noted that when he was mayor of Calgary the city had difficulty hiring police officers, firemen and labourers because the private sector was paying salaries three or four times public sector salaries. Mr. Derbyshire responded that with a global economy we will be able to find the services we require outside our borders if we can't find them in Alberta.

Mr. Musgrove asked Mr. Derbyshire to expand on his call for a review of the corporate tax system. Mr. Derbyshire said government should provide private enterprise with a way to invest in needed development and show a return on it. The idea is not to provide a write-off but a tax advantage once the investment is making money and stimulating the economy. He also pointed out in response to a question from Mr. Horsman that community bond issues would be a means of encouraging people to invest in capital structures in their own communities.

6. Town of Taber: Mayor Paul Primeau and Orest Chomyc, President of the Economic Development Committee of Taber

Southern Alberta has great potential for economic diversification. The area produces the major portion of Alberta's agricultural income and should expand on this base. We have the expertise in growing a variety of crops. We need assistance in the following:

. development of markets, both local and international;
. development of a transportation system at a reasonable cost to get our products to market;
. education of the public to buy locally;
. financial assistance in the establishment and expansion of food processing enterprises, especially when new markets are available;
. expansion of the relationship between local and provincial economic development;
. more research and development of new products to meet demands in the marketplace;
. help for local enterprise to survive the downturn; and
. education of the public as to the quality of life in rural Alberta to stop the flow of population to the cities.

Some of the immediate concerns of Taber are:

. maintaining a solid agricultural climate in which smaller and larger communities will thrive;
. availability of solid support programs which may require government funding;
. twinning of Highway 3 Taber/Coaldale and possible upgrading of Highway 36 to provide major export routes to U.S. markets;
. rolling all government assistance programs from various departments into a single, easily accessible, one-stop service for all communities; and
. a review of the total taxation system to make it competitive with other areas in North America.

Ms. McClellan pointed out that food processing is the largest manufacturing sector in Alberta. She also pointed out the contribution of the Leduc Food Processing Research Centre and the market development efforts of Alberta Agriculture to the industry. Mr. Chomyc suggested that local producers - "the guys on the plough" who know the area, the business and the costs well - should be included in Alberta Agriculture's market development missions.

Mr. Musgrove asked if the Town of Taber has looked at what effect change in the method of payment under the Western Grain Transportation Act will have on the community. Mr. Chomyc said that the town is not looking for handouts, and we have to look at a system which can be put into place by private enterprise. "The taxpayer can only carry so much burden."

7. Medicine Hat College: Dr. Fred Speckeen

Alberta has the best educational system in Canada, perhaps one of the best in the world. But increased international competition makes it critical that we embrace science and technology to be a full player in the world economy. A critical issue today is the need for a highly skilled, highly trained work force. On a

per capita basis Canadian residents have the fewest foreign patents, fewest engineers and scientists, the fewest industrial robots per employee and we trail far behind our major trading partners in the development of new technology.

If we could address only one issue it has to be education. Developing countries are graduating and training greater percentages of skilled persons than Canada. (Mexico is graduating more engineers than this country.) The availability of high-quality foreign goods and increasing number of foreign components in "Canadian products" raises the question of "where to from here?"

1. Top priority should be given to the development of Alberta's human resources through imaginative and flexible approaches to education and skills training.

2. There should be less government control or central authority over post secondary institutions, more autonomy in programs, deregulation of tuition and no-strings-attached matching grants.

3. There should be more innovative approaches to student financial aid programs. For instance, loans could be repaid through a surtax on federal income tax when income reaches a certain level.

4. New partnerships among elementary, secondary and post secondary institutions should be forged. An example is the Two Plus Two Program which integrates high school and college technical programs.

5. There should be greater collaboration on campaigns to acquaint students with career paths at an early age particularly in science, technology and apprenticeship training.

6. Educational institutions should provide a reasonable balance between theory and hands-on training. This would require expanding of their capabilities and new approaches to admissions, access and transferability.

7. A "science culture" should be developed in Canada without jeopardizing support for humanities and social sciences.

8. The Alberta Research Council could play a greater role in helping manufacturers to become more productive and to create quality value-added products -- perhaps by serving as a catalyst between education, research and industry.

Mr. Horsman pointed out that while more autonomy for educational institutions is admirable, one of the biggest concerns he hears from some of his constituents is the fact that institutions are not cooperating on transferability. He called it "a tragedy" when students find out they have wasted entire years taking courses in college only to find those courses are not recognized by universities. He cautioned that if the post secondary system doesn't cure the problem from within, the government may have no choice but to legislate it.

Mr. Speckeen agreed there is a problem in getting universities to recognize graduates from the college system. The problem is that universities keep changing their admission requirements.

8. City of Medicine Hat: Alderman Wayne Craven, Hal Fredericks, Economic Development Officer (introduced by Mayor Ted Grimm)

Mayor Grimm stressed that economic development should be based on promotion and development of infrastructure rather than on subsidies to industries to locate in Alberta.

Mr. Fredericks presented the highlights of a comprehensive brief the City will present to the Toward 2000 initiative within the next two months.

He outlined Medicine Hat's Agenda for Action -- Economic Development Strategy. The philosophy is to market Medicine Hat as a strategic location in the diversified industrial corridor of Alberta. As part of that strategy the City in 1991 held the First Industrial Robotics Exposition in Canada. It was a model of cooperation among three levels of government -- federal, provincial and local -- on an initiative of international scale.

He pointed out that Alberta cannot compete with incentives offered in other jurisdictions in Canada and the United States. But Alberta is in a unique position to attract new industries based on its comparative advantages, especially industries based on natural gas, petrochemicals and agricultural diversification. The City is reviewing economic development policies and programs of jurisdictions across North America and believes Alberta should incorporate the most cost-effective models into its new economic development strategy.

Specifically, the brief recommends:

. a review of provincial taxation and introduction of measures to encourage the formation of capital pools and to stimulate private investments in business;

. an aggressive, centralized marketing and advertising strategy for economic development in Alberta designed by an advertising and marketing agency with demonstrated international performance. The program should provide for participation by municipal economic development authorities and adoption of an Alberta theme by businesses in their corporate advertising;

. a one-window approach to provincial policy development and management of assistance programs;

. a review of federal and provincial economic development programs to eliminate redundancies and ineffective ad hoc programs and to adopt long-term strategic goals, including a national economic development strategy;

. pursuit of "best-practice" product and process research and innovation at a world-class level;

. increased investment in manufacturing as the engine of economic growth and the foundation of our future prosperity; and

. provision of tax credits to industries setting up training programs and hiring technical and scientific students and university graduates.

9. Environmental Services Association of Alberta: Sandy Sutton

Mr. Sutton said his organization represents over 150 member companies within Alberta with combined annual sales of over half a billion dollars. He stressed that without a strong economy, investment in environmental services will suffer.

He applauded the Alberta Government's efforts to market Alberta's environmental technology and expertise abroad. But his members are concerned with the new Environmental Protection and Enhancement Act regulations and their impact on the growing environmental services industry. Specifically the regulations do not address the apparent paradox that Alberta has a world-class waste management system but we're a net exporter of hazardous waste. He said the regulations do not simplify environmental approvals or resolve overlaps in jurisdiction with the Health Act and Municipal Act.

The Association feels the proposed ban on the importation of hazardous and recyclable wastes is a restraint of trade and will isolate Alberta from international and interprovincial markets. This will erode development of new recycling technology and the competitiveness of the industry, making it vulnerable to encroachment by out-of-province firms that have a critical business mass.

He pointed out that enforcement regulations which should have been ready for public review last October are still not available. The Association finds this distressing because the regulations are a key piece of legislation that will set the tone of Alberta Environment's business relations for the next decade.

The Association also expressed concerns with regulations regarding the liability of businesses for site reclamation. The association feels that the current time frame of 25 years is excessive and recommends that liability extend to only five years, with the cost of reclaiming an "orphan site" after five years paid from an Environmental Protection Fund set up by the private sector. These recommendations are designed to balance the need to protect the environment with the need for economic stability while removing the burden of remediation from the taxpayer.

Mr. Klein asked for clarification of the Association's stand on legislation regarding the importation of hazardous waste. Mr. Sutton said the government should not codify a provision to exclude Alberta from becoming a regional centre. Alberta is already ahead of neighbouring provinces in this area and should not be cut off from future opportunities to capitalize on its leadership.

10. Alberta Pulse Growers Commission, Zone 1: Steve Ell and Ken Biemans

Pulse crop production -- primarily beans, peas and lentils -- is one of the many essential catalysts to local development opportunities. Field crop diversification and market development have created a wealth of secondary industries in the area. The Commission is distressed over federal and provincial agricultural program cutbacks. Research and development carried out by such facilities as the Alberta Horticultural Research Centre at Brooks and the Agriculture Canada Research Station at Lethbridge have brought agriculture a long way and should be considered an investment in the future.

The presenters pointed out the low relative ratio of private sector R&D funding in Alberta and said there need to be more incentives in place. However, private industry cannot be expected to fund basic research which is not proprietary. This should be part of the mandate of a "diversification fund" within the Heritage Savings Trust Fund. This fund would also support new crop development, market development, business incentives and entrepreneurial training programs.

They pointed out that Alberta Agriculture's market development division is severely underfunded, leaving Alberta vulnerable in an era of globalization and specialized marketing requirements. This is a time for the public sector to become even more committed to market development, they said.

The Commission feels that high priority should be placed on environmentally sustaining developments such as integrated ethanol production and generation of electricity from water and wind.

To train the highly skilled and motivated labour force needed to compete in a global economy, educational institutions should be encouraged through public funding priorities to educate for the skills most likely to result in payback to society.

Mr. Horsman pointed out that targeting funds in particular areas of the post-secondary system is a sensitive area for government in the face of demands for more autonomy for institutions within the system.

Ms. McClellan pointed out that Alberta Agriculture has amalgamated production and marketing into one group in order to better compete in the global economy.

11. Youngstown Public School: Stuart Wachowicz

Mr. Wachowicz delivered "a cry of the heart" representing a group of individual teachers. He said a nation's ability to educate its people is an essential component of any successful modern economy.

He outlined the "social revolution" of the 1970s and '80s which saw the state become involved in moral and value education in the vacuum left by family and church. This movement advocates education of "the whole student" and focuses on the individual rather than the group. This change is based on a false assumption that traditional educators did not help produce the desired qualities of self-esteem, critical thinking, tolerance, cooperation and caring.

Knowledge goals are losing ground to the idea that school should teach philosophies of social good and process skills. But this approach is already creating problems for business: deficiencies in oral and written communication, difficulty in spelling and reading, lack of historical and geographic understanding, weakness in mental math skills, and inability to follow simple instructions.

The submission urged a return to a more structured learning model stressing phonics, grammar, geography, history, science and mathematics taught in an orderly manner in a curriculum that is standardized province-wide. Creativity will not suffer, because this quality is dependent on knowledge and discipline.

Mr. Wachowicz pointed out that Youngstown is a traditional school and has a dropout rate of about 1.5% compared with a 30% provincial average. The school has a better than 95% pass rate on diploma exams and 80% of grade one children who go on to graduate from Youngstown will receive an advanced diploma standing.

Alberta cannot sustain an economy with ill-educated and undisciplined minds. If our province is to be a productive place in the year 2000, action must come now.

12. Rocky Mountain Trade Corridor Steering Committee: Alan Joys

Historically Alberta's orientation has been east-west. Now more emphasis must be put on the need to improve Alberta's two-way trade with the United States. Trade between Alberta and the U.S. jumped 45% between 1988 and 1990. Alberta exported $11.5 billion to the U.S. in 1990. But only one-third of our U.S. exports, excluding energy products transported by pipeline, actually cross the Alberta-U.S. border. The North American Free Trade Agreement will offer Alberta a large market for exports and a potential lower-cost source of goods for Alberta.

It is well known that transportation systems in the U.S. are less costly and more efficient than in Canada. To reduce costs, Alberta exporters must have easy access to U.S. transportation systems.

The Rocky Mountain Trade Corridor Steering Committee was formed in recognition of these economic realities. It is composed of academics, businessmen, government and trade experts from Montana, Utah, Wyoming and Alberta. The group supports the development of a north-south corridor from Edmonton and Calgary to Denver and Salt Lake City and further with business taking the leading role in its development.

The group suggests that the provincial government can help by:

- improving north-south transportation systems within the province;
- continuing to work with the Montana state government and the two federal governments to resolve border and jurisdictional issues which affect trade; and
- helping to focus attention of Alberta business on opportunities provided by markets within the corridor.

Mr. Joys says British Columbia and Manitoba have already begun to develop north-south trade corridors, and Alberta will miss a significant economic opportunity if it fails to follow their example this decade.

13. Private Citizen: Gary Lehr

Mr. Lehr is a farmer and retailer and has served in several capacities on bodies responsible for economic development in the area.

He feels the provincial government has only one responsibility in economic development and that is to provide a healthy business environment - including low taxes, limited red tape, an educated population with a work ethic, clear and concise policies and regulations, a free-enterprise philosophy, an ability to make quick decisions, a well-developed infrastructure and a willingness to cooperate with business. Specifically:

1. **Low Taxes** - It is better to leave money in the hands of business than to collect it and redistribute it.

2. **Work Ethic** - The welfare system is eroding the province's work ethic. We do need a safety net but not one so rich that the business community finds itself competing with the provincial treasury for employees.

3. **Free Enterprise Philosophy** - The Alberta Government is slipping away from this in some areas. For instance the electric grid system to equalize the cost of electricity to all rural users in the province. Result is a bail-out for Edmonton for investment in Genesee at the cost of rural users.

4. **Cooperation With Business** - In many cases there is overlap between government and business activities. An example: a cattle sales mission by Alberta Agriculture and one by cattle producers arrived only weeks apart in Asia without having communicated with each other.

5. **Contradictory Policies** - For instance, the province touts tourism but signage policies are counterproductive. Rather than a sign saying Royal Tyrrell Museum of Paleontology there should be a 50-foot dinosaur pointing the way.

Mr. Lehr supported the Youngstown School presentation with a call for accountability in the education system for turning out a "worthwhile product". Education must be relevant to the realities of the workplace.